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3 strategies to move an overpriced listing

Give sellers a wake-up call

By Bernice Ross

You have worked as hard as you can to get this property sold. Your marketing efforts have generated 50 showings but no offers. What can you do?

Recently, one of our private coaching clients posed this question to her coach. She had done everything within her power to place the property under contract. However, the sellers weren't willing to lower the price any further. They had a great reason. If they dropped the price any further, they would have to bring money that they didn't have to the closing table.

The challenge for the agent was that the sellers were blaming the failure to sell the property on her and they were angry. How would you have handled this situation?

One of the most powerful ways to address this situation is to do an update on your market statistics. For example, if there are currently 60 properties listed in their area and price range and 10 of them sell each month, this means that in order to sell their property, the sellers must be in the top 17 percent of the properties on the market each month in terms of the price, condition and the location. With this many showings and no offers, they're continuing to fall in the bottom 83 percent that are still listed each month rather than in the 17 percent that sell.

The next step is to explain the seller's choices. Here's what to say:

"Mr. and Mrs. Seller, as you can see from the current market statistics, only 17 percent of all the listings will sell this month, while 83 percent will continue to

be listed next month. Furthermore, most of the properties that are selling are in like-new condition. Given these circumstances, you have the following options:

"First, you can adjust your price.

"Second, you can update the paint and the fixtures to make the house more appealing.

"Third, if you absolutely must get this price, you can take the property off the market and wait for the market to improve.

"It's your house and it is your decision. What would you like to do?"

Furthermore, it's often useful to either take the sellers out to look at the competition or to pull together a slide show of the interiors of the properties that went under contract or that are currently on the market. Sometimes the reason a property is not selling is that buyers can afford to be choosy. The agent who sold our last house told me that the only things that are selling where she is working right now are in like-new condition. Everything else, unless it's way below market value, is languishing on the market.

A third way is to do a price-per-square-foot comparison. Remember to choose comparable sales where the lot size and the improvement size are within 10 percent of the seller's property. Failure to do this will yield inaccurate results.

The next step is to make three pricing lines: one for sold listings, one for current listings, and one for expired listings. In most cases, what you will observe is that the sellers' current price falls in the price range where most of the listings are expiring. Here's what to say:

"Mr. and Mrs. Seller, as you can see from these three pricing lines, the properties that have gone under contract in the last 90 days have all been priced between \$135 to \$145 per square foot. The properties that failed to sell and currently are showing on the multiple listing service as expired listings were all priced at \$153 to \$160 per square foot. Your property is currently priced at \$154 per square foot.

"Consequently, you have an important decision to make. You can leave your property at \$154 per square foot and it will probably still be on the market, or

you can reduce your price to \$145 per square foot and increase the odds that it will sell. It's your choice; what would you like to do?"

Now if the sellers are being unrealistic and you're no longer willing to work on an overpriced listing, here's a different approach:

"Mr. and Mrs. Seller, you have an important decision to make. You can continue to keep your property on the market at the price where it is currently listed or you can lower the price to the point where the property will sell. Clearly, since we have had 50 showings and no offers, the property is not priced where buyers today are willing to purchase it.

"It's your choice; what would you like to do? Continue with your current price? Or reduce the price, end the two-hour commute each day, and get on with your life?"

If the sellers say they want to keep the same price, the next choice is really yours. Are you going to choose to continue to work on an overpriced listing or are you going to walk away? In many cases, your willingness to walk away can be a huge wake-up call. Here's what to say:

"Thanks so much for the opportunity to market your home. Given the current market conditions, I would be doing you a disservice to continue to represent you on the sale of your property when the market data says that you won't sell in this market unless you drop your price. I have cleared this with my broker and we are releasing you from the listing. I wish you the best in getting the price you want."

If you have an overpriced listing that is not selling and the sellers aren't willing to be realistic, walking away is probably the smartest thing that you can do. If the sellers realize you're serious and reduce their price, it's a win for you both. If they are unwilling to reduce their price, you have just eliminated a huge energy and money drain from your business.

Bernice Ross, CEO of RealEstateCoach.com, is a national speaker, trainer and author of the National Association of Realtors' No. 1 best-seller, "Real Estate Dough: Your Recipe for Real Estate Success." Hear Bernice's five-minute daily real estate show, just named "new and notable" by iTunes, at www.RealEstateCoachRadio.com. You can contact her at Bernice@RealEstateCoach.com or [@BRoss](https://twitter.com/BRoss) on Twitter.

